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TWENTIETH AMENDMENT

FRACTIONAL OFFERING PLAN

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB

TWO EAST 55TH STREET

NEW YORK, NEW YORK 10022

Sponsor**:**

St. Regis Residence Club, New York Inc.
c/o Starwood Vacation Ownership, Inc.
9002 San Marco Court
Orlando, Florida 32819
(407) 903-4000

Dated: October 11, 2013

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TWENTIETH AMENDMENT

TO

FRACTIONAL OFFERING PLAN

INTRODUCTION

This Twentieth Amendment modifies and supplements the terms of the Fractional Offering Plan for the Fifth and Fifty-Fifth Residence Club located at Two East 55th Street, New York, New York 10022 dated February 17, 2006 ("Offering Plan"), as amended, and should be read in conjunction with the Offering Plan, as previously amended.

The terms of this Twentieth Amendment are as follows:

1. STATUS OF CLOSING OF CLUB INTERESTS

As of August 15, 2013, Sponsor closed title on the sale of approximately 294 Club Interests out of a total of 494 Club Interests, leaving approximately 200 Club Interests available for sale.

2. PURCHASE PRICE SCHEDULE

Annexed to this Amendment as Exhibit "A" is a revised "Schedule A – Purchase Prices and Related Information" which reflects the current prices for each of the Club Interests.

THE PURCHASE PRICES SET FORTH ON SCHEDULE A HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

3. CLUB BOARD

The present officers and members of the Club Board are as follows:

Name	Office	Affiliation
Edward Diao	President	Club Owner

Clay Cockerell	Vice-President	Club Owner
Christine Georgopulo	Secretary	Club Owner
Paulette Carter	Treasurer	Sponsor

Sponsor relinquished control of the Club Board on June 16, 2011.

4. CONDOMINIUM BOARD

The present officers and members of the Condominium Board are as follows:

Name	Office	Affiliation
Bill Bailey	President	Hotel
Marvin Schein	Vice President	Suites
Paul Nash	Vice President	Hotel
Ryan Musco	Treasurer	Hotel
Paulette Carter	Secretary	Hotel
Christine Georgopulo	Manager	Club
Daniel Mawicke	Manager	Retail

The Hotel and Retail Board Members will at all times control the Condominium Board through the designation of a majority of its members.

5. 2013 CLUB BUDGET

Annexed to the Eighteenth Amendment as Exhibits "B" and "C," respectively, is the Operating Budget for the Club Association for the period commencing January 1, 2013 and ending December 31, 2013 which was adopted by the Club Board and a Certification of Club Budget Expert.

6. 2013 CONDOMINIUM BUDGET

Annexed to the Eighteenth Amendment as Exhibits "D" and "E," respectively, is the Operating Budget for the Condominium for the period commencing January 1, 2013 and ending December 31, 2013 which was adopted by the Condominium Board and a Certification of Condominium Budget Expert.

7. 2012 CLUB FINANCIAL STATEMENTS

Annexed hereto as Exhibit "B" are the financial statements of the Club Association for the 2012 calendar year certified by Myers, Brettholtz & Company, PA, certified public accountants.

8. 2012 CONDOMINIUM FINANCIAL STATEMENTS

Annexed to hereto as Exhibit "C" are the financial statements of the Condominium for the 2012 calendar year certified by Myers, Brettholtz & Company, PA, certified public accountants.

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9. REVISED ESCROW AND TRUST FUND REQUIREMENTS

The Department of Law has revised its regulations to eliminate the Attorney General's authority to adjudicate disputes regarding the disposition of deposits, down payments, or advances ("Deposits") received by Sponsor pursuant to New York General Business Law ("GBL") §§ 352-3(2-b) and 352-h. This change does not impact Purchasers who have received a fully executed Purchase agreement prior to the Presentation Date of this Amendment.

(i) The Escrow Agreement set forth in Part II of the Plan is hereby replaced by the Updated Escrow Agreement, annexed hereto as Exhibit "D".

ESCROW AND TRUST FUND REQUIREMENTS

All deposits, down payments, advances and payments made by Purchasers prior to the Closing ("Deposits") will be held in escrow in conformity with the disclosure contained in this Section of the Plan and in accordance with the escrow provisions contained in the Purchase Agreement.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in the escrow agreement or Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds. However, notwithstanding anything to the contrary set forth herein or anywhere else in the Plan, in the Event of Default by Purchaser, as that term is defined the Purchase Agreement, Purchaser shall be obligated to reimburse Sponsor for any legal fees, expenses and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder.

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Leo Rose III, Esq., the escrow agent ("Escrow Agent"), whose address is Schreeder, Wheeler & Flint, LLP, 1100 Peachtree Street, N.E., Suite 800, Atlanta, GA 30309-4516 and whose telephone number is (404) 954-9823. The attorney who is signatory on this account authorized to withdraw funds, acting singly, is: Leo Rose III, Esq. Neither the Escrow Agent nor the Authorized Signatory is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established an escrow account entitled "Leo Rose III, Esq., Escrow IOLA Account – St. Regis NY" ("Escrow Account") at Wells Fargo Bank located at 540 Madison Avenue, New York, New York 10022 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York. Deposits properly made payable to "Leo Rose III, Esq., as Escrow Agent" will be placed in the Escrow Account within 5 business days after tender by Purchaser to Sponsor or Selling Agent. Any subsequent Deposit tendered by Purchaser after the

Deposit will be placed in the Escrow Account within 10 business days after tender by Purchaser to Sponsor or Selling Agent. Escrow Agent shall execute the Purchase Agreement Escrow Rider with respect to its obligations in this Section. The Escrow Account is an IOLA account.

All Deposits are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to the Deposit as per GBL § 352-h.

Within ten (10) business days after the tender of the Deposit submitted with the purchase agreement ("Purchase Agreement"), ESCROW AGENT shall notify Purchaser of the placement of the Deposit into the Escrow Account and provide the account number. If Purchaser does not receive such notification within fifteen (15) business days after tender of the Deposit, Purchaser may cancel the Purchase Agreement and rescind within 90 days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to Purchaser.

Escrow Agent shall maintain the Escrow Account under its direct supervision and control. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and as set forth in the Escrow Agreement Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

The Deposit may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

Acceptance of the Deposit by Sponsor or Selling Agent and the Deposit thereof by Escrow Agent into escrow shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor or Selling Agent executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan. All Deposits made by check are subject to collection.

If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser: (i) within 5 business days after tender, if the Deposit has not been deposited into escrow, and (ii) within 10 business days, if the Deposit has been deposited into escrow and the Purchase Agreement has not yet been delivered by Purchaser. In the event a Deposit or portion thereof is delivered by wire transfer to Escrow Agent, any wiring fees charged by the initiating and/or receiving banks will be Purchaser's obligation.

The Escrow Account will not be interest-bearing

All instruments shall be made payable directly to the order of "Leo Rose III, Esq., as Escrow Agent". Endorsed instruments will not be accepted.

If a check delivered by a Purchaser fails for collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within 10 business days of Sponsor receiving notice from Escrow Agent of such failure for collection.

Sponsor or its agents, including any selling agents, shall deliver to Escrow Agent all Deposits within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by Escrow Agent from time to time. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary and statutory obligations set forth in GBL §§ 352(e)(2-b) and 352(h) and the Department of Law's regulations promulgated thereto.

Under no circumstances shall Sponsor seek the release of the Deposits of a defaulting Purchaser until after consummation of the Plan as defined in the regulations of the Department of Law. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h.

Escrow Agent shall release the Deposits if so directed:

(i) pursuant to terms and conditions set forth in the Plan and Purchase Agreement upon closing of title to the Unit; or
(ii) in a subsequent writing signed by both Sponsor and Purchaser; or
(iii) by a final, non-appealable order or judgment of a court.

If the Deposits are not released pursuant to this paragraph and Escrow Agent receives a request by Sponsor or Purchaser to release the Deposits, Escrow Agent shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If Escrow Agent has not received notice of objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and Escrow Agent shall provide further written notice to both parties informing them of the release of the Deposits. If Escrow Agent receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, Escrow Agent shall continue to hold the Deposits until otherwise directed pursuant to subsections (i) through (iii) of this paragraph. However, Escrow Agent shall also have the right at any time to deposit the Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

Sponsor will not object to the release of the Deposits to:

(i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan,

(ii) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

The Purchase Agreement provides that Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

If Sponsor elects to change the Escrow Bank and/or Escrow Agent, such change will be disclosed in a duly filed amendment to the Plan prior to transferring any Deposits.

Purchaser's execution of the Purchase Agreement shall be deemed to constitute Purchaser's acceptance of the terms of the escrow provisions set forth herein and the escrow agreement set forth in this Twentieth Amendment as Exhibit "D". Escrow Agent shall be a signatory to the Purchase Agreement solely with respect to Escrow Agent's obligations as set forth herein.

Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Deposit or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Deposit and continues to act as Escrow Agent.

Escrow Agent may rely upon any document which may be submitted to it in connection with its duties under this Section and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

Sponsor has agreed to indemnify Escrow Agent from all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the Escrow Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the Escrow Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

Sponsor has agreed to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties under the escrow agreement. Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

Escrow Agent and all Authorized Signatories submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of their obligations with respect to this Section or otherwise concerning the maintenance of or release of the Deposits from escrow.

Escrow Agent will maintain all records concerning the Escrow Account for 7 years after the release of Deposits.

10. IDENTITY OF PARTIES

The second paragraph of the subsection entitled "Sponsor" in the Section of the Offering Plan entitled "Identity of Parties" is hereby deleted in its entirety and replaced with the following new text:

"The following individuals who are actively involved in the planning or consummation of the Offering Plan are principals of Sponsor: Stephen Williams and Robin L. Suarez. Mr. Williams and Ms. Suarez have been extensively involved in the development, management, and marketing of quality timeshare projects since 1980 and 2000, respectively. Sponsor is a wholly owned subsidiary of Starwood Vacation Ownership, Inc. which owns, manages, and markets vacation resorts throughout the United States and abroad, and is highly regarded as a vacation ownership industry leader."

Annexed to this Amendment as Exhibit "E" is a new Certification of Sponsor and

Principals.

11. DEFINITIONS

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Offering Plan.

12. NO MATERIAL CHANGES

Except as set forth in this Amendment, there have been no material changes of facts or circumstances affecting the Property or the offering.

13. INCORPORATION OF OFFERING PLAN

The Offering Plan, as modified and supplemented by this Amendment, is incorporated herein by reference with the same effect as if set forth at length.

14. EXTENSION OF OFFERING PLAN

The Offering Plan, as modified and supplemented by this Amendment, may not be used after six (6) months following the Filing Date of this Amendment unless the Offering Plan is extended or amended.

SPONSOR:

ST. REGIS RESIDENCE CLUB, NEW YORK INC.

SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB
Two East 55th Street
New York, New York 10022

CLUB UNIT 1						PURCHASE PRICE 2	PROJECTED ANNUAL CLUB CHARGES 3		
Number	Bedrooms	Bathrooms	"Condominium Declaration" Square Feet	"Usable" Square Feet	Facing		Real Estate Taxes (a)	Other Club Expenses (b)	Total Club Charges (a)+(b)
801	One	Two	1061	935	Interior & 5th Avenue	$700,000	$3,066.60	$14,927.43	$17,994.03
901	One	Two	1061	935	Interior & 5th Avenue	$700,000	$3,066.60	$14,927.43	$17,994.03
803	Two	Two	1546	1383	5th Avenue & 55th St.	$1,000,000	$4,728.13	$19,569.69	$24,297.82
903	Two	Two	1546	1383	5th Avenue & 55th St.	$1,000,000	$4,728.13	$19,569.69	$24,297.82
1103	Two	Two	1546	1383	5th Avenue & 55th St.	$1,000,000	$4,728.13	$19,569.69	$24,297.82
807	One	One	738	625	55th Street	$450,000	$3,066.60	$14,927.43	$17,994.03
907	One	One	738	625	55th Street	$450,000	$3,066.60	$14,927.43	$17,994.03
1007	One	One	738	625	55th Street	$500,000	$3,066.60	$14,927.43	$17,994.03
808	Studio	One	523	445	Interior	$387,000	$1,652.39	$10,976.19	$12,628.58
908	Studio	One	523	445	Interior	$387,000	$1,652.39	$10,976.19	$12,628.58
809	Studio	One	474	415	55th Street	$387,000	$1,652.39	$10,976.19	$12,628.58
909	Studio	One	474	415	55th Street	$387,000	$1,652.39	$10,976.19	$12,628.58
815	Two	Three	1507	1290	55th Street	$750,000	$4,728.13	$19,569.69	$24,297.82
915	Two	Three	1507	1290	55th Street	$750,000	$4,728.13	$19,569.69	$24,297.82
818	Two	Three	1593	1395	Interior	$750,000	$4,728.13	$19,569.69	$24,297.82
918	Two	Three	1593	1395	Interior	$750,000	$4,728.13	$19,569.69	$24,297.82
1018	Two	Three	1539	1349	Interior	$750,000	$4,728.13	$19,569.69	$24,297.82
821	Two	Two	1129	957	55th Street	$650,000	$4,728.13	$19,569.69	$24,297.82
921	Two	Two	1129	957	55th Street	$650,000	$4,728.13	$19,569.69	$24,297.82
1021	Two	Two	1129	957	55th Street	$650,000	$4,728.13	$19,569.69	$24,297.82
1121	Two	Two	1129	957	55th Street	$650,000	$4,728.13	$19,569.69	$24,297.82
822	One	Two	1070	852	Interior	$522,000	$3,066.60	$14,927.43	$17,994.03
922	One	Two	1070	852	Interior	$522,000	$3,066.60	$14,927.43	$17,994.03
835	Two	Three	1458	1263	55th Street	$800,000	$4,728.13	$19,569.69	$24,297.82
935	Two	Three	1458	1263	55th Street	$800,000	$4,728.13	$19,569.69	$24,297.82
836	Two	Three	1455	1260	Interior	$700,000	$4,728.13	$19,569.69	$24,297.82
936	Two	Three	1455	1260	Interior	$700,000	$4,728.13	$19,569.69	$24,297.82
1035	Two	Three	1458	1262	55th Street	$800,000	$4,728.13	$19,569.69	$24,297.82
1135	Two	Three	1458	1262	Interior	$800,000	$4,728.13	$19,569.69	$24,297.82
1036	Two	Three	1455	1259	55th Street	$700,000	$4,728.13	$19,569.69	$24,297.82
1136	Two	Three	1438	1245	Interior	$700,000	$4,728.13	$19,569.69	$24,297.82
TOTALS						$248,904,000	$1,471,660	$6,477,487	$7,949,147

See Notes to Schedule A

EXHIBIT "A"

SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

Notes to Schedule A

1. The Club Units on Floors 8, 9, 10 and 11 contain studios; one-bedrooms; and two-bedroom duplexes. The Club Interest in each Club Unit is equal to a fraction, the numerator of which is four (4) and the denominator of which is fifty-two (52).

Purchasers should refer to the Floor Plans set forth in Part II of the Offering plan for an approximation of the dimensions and layouts of the Club Units. The "Condominium Declaration" square footage represents the square foot area of the Club Unit measured horizontally on each floor from the interior side of the glazing or the exterior walls at the Building line and/or the Property line to the midpoint of the interior walls and partitions separating one Club Unit from another Unit, or the public side of the interior walls separating a Club Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements. Column and mechanical pipes (whether along the perimeter or with the Club Unit) are not deducted from the square foot area of the Club Unit. The "useable" square foot area of a Club Unit represents that portion of the Club Unit to which the Club Owner has access (i.e., interior painted surfaced to interior painted surface, including kitchen counters, bathtubs, etc.). The square foot area and dimensions of the Club Units are approximate and may vary due to field conditions. No such variation will affect a Purchaser's obligations under the Purchase Agreement or the Offering Plan unless the square foot area of the Club Unit is diminished by more than five percent (5%) (excluding interior partitions), therefore affording Purchaser a fifteen (15) day right to rescind.

The number of rooms in each Club Unit has been computed by Sponsor in accordance with industry standard as follows:

Type of Club Unit	Total Rooms	Type of Rooms
Studio	2	1 bedroom, 1 bathroom
One bedroom	3 or 4	1 or 2 bedrooms, 1 bathroom, 1 living room
Two bedroom duplex	5 or 6	2 bedrooms, 2 or 3 bathrooms, 1 living room

2. THE PURCHASE PRICES AND OTHER TERMS OF SALE OF CLUB INTERESTS MAY BE NEGOTIATED BY SPONSOR AND, THEREFORE, MAY BE CHANGED. ACCORDINGLY, PURCHASERS MAY PAY DIFFERENT PURCHASE PRICES FOR SIMILAR CLUB INTERESTS. The effect of this, as well as the right of Sponsor to change purchase prices, is more particularly discussed in the Section of the Offering Plan entitled "Changes in Prices and Facilities." In addition to the payment of the purchase price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, as explained in the Section of the Offering Plan entitled "Closing Costs." If Purchaser obtains a mortgage loan from Sponsor or other lender, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. There may be an apportionment of certain charges relating to the Club Interest at the time of the Closing of Title. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE

DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

3. The estimated Club Charges contained in this column are for the period from January 1, 2013 to December 31, 2013 based on the "Schedule B – Club Budget" prepared by Sponsor in consultation with the Club Budget Expert. Club Charges include Real Estate Taxes assessed against the Club Units and other Club Expenses. The Club Association reserves the right to bill Club Members for Club Charges more often than once a year.

The estimated annual Real Estate Taxes of $1,471,660 for the 2013 calendar year for the Club Units are based upon recent tax assessments published by the City of New York, that: (a) the approximate allocated assessed value of the Club Units during the second half of the 2012/2013 tax year is $15,647,062 in the aggregate and during the first half of the 2013/2014 tax year is estimated to be $15,997,556 in the aggregate for a total 2013 assessed value of $31,644,618 (rounded); and (b) the effective tax rate in effect for the 2012/2013 tax year is $10.152 per $100 of assessed valuation and the tax rate in effect for the 2013/2014 tax year is estimated to be $10.093 per $100 of assessed valuation with respect to the Club Units. While the legal responsibility for Real Estate Taxes lies with each Club Member, the Club Association will collect Real Estate Taxes from each Club Member (which are included in the Club Charges) and remit the same on behalf of each Club Member to the taxing authorities. In addition to these estimated Club Charges, each Owner will be responsible for mortgage payments under a loan, if any, obtained to finance the purchase of the Club Interest.

EXHIBIT "B"

2012 CLUB FINANCIAL STATEMENTS

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NEW YORK, NEW YORK
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(WITH COMPARATIVE TOTALS FOR THE YEAR
ENDED DECEMBER 31, 2011)

Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

12671 Whitehall Drive, Fort Myers, Florida 33907-3626
239.939.5775 · 800.749.8270 · Fax: 239.939.3032 · e-mail: mbcopa@mbcopa.com

THE EXCEPTION TO THE RULE

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Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of
Fifth and Fifty-Fifth Residence Club Association, Inc.

We have audited the accompanying financial statements of Fifth and Fifty-Fifth Residence Club Association, Inc., which comprise the balance sheet as of December 31, 2012, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fifth and Fifty-Fifth Residence Club Association, Inc. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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To the Board of Managers of
Fifth and Fifty-Fifth Residence Club Association, Inc.

Report on Summarized Comparative Information

We have previously audited the Fifth and Fifty-Fifth Residence Club Association, Inc.'s 2011 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated February 22, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on page 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating fund revenues and expenses - budget to actual is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Myers, Brettholtz & Company, PA

MYERS, BRETTHOLTZ & COMPANY, PA
Fort Myers, Florida
February 21, 2013

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2012
(With comparative totals for December 31, 2011)

	FUNDS			
	Operating	Replacement	2012 Total	2011 Total
ASSETS				
Cash and cash equivalents	$ 8,332,281	$ 66,234	$ 8,398,515	$ 1,524,966
Certificates of deposit	-	1,374,000	1,374,000	1,384,000
Accounts receivable - members, net	273,943	-	273,943	47,625
Interest receivable	-	6,147	6,147	7,291
Due from Manager	15,123	-	15,123	50,460
Due from Condominium	163,173	-	163,173	-
Prepaid expenses	751,921	-	751,921	715,582
Due from funds	-	1,300,005	1,300,005	2
Total assets	$ 9,536,441	$ 2,746,386	$ 12,282,827	$ 3,729,926
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ 5
Accrued expenses	85,382	-	85,382	167,017
Income taxes payable	25	-	25	25
Due to Condominium	-	-	-	28,830
Assessments received in advance	2,433,637	-	2,433,637	255,594
Deferred refurbishment assessments	3,436,384	-	3,436,384	-
Due to funds	1,300,005	-	1,300,005	2
Total liabilities	7,255,433	-	7,255,433	451,473
FUND BALANCES				
Undesignated	1,281,008	2,746,386	4,027,394	2,278,453
Board designated	1,000,000	-	1,000,000	1,000,000
Total fund balances	2,281,008	2,746,386	5,027,394	3,278,453
Total liabilities and fund balances	$ 9,536,441	$ 2,746,386	$ 12,282,827	$ 3,729,926

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2012
(With comparative totals for the year ended December 31, 2011)

	FUNDS			
	Operating	Replacement	2012 Total	2011 Total
REVENUES				
Maintenance fees	$ 7,436,666	$ 740,424	$ 8,177,090	$ 8,177,156
Interest and dividends	5,021	20,878	25,899	24,766
Late fees and interest	29,787	-	29,787	44,021
Refund of maintenance fees	-	-	-	(994,182)
Refund of Condominium fees	163,173	-	163,173	-
Total revenues	7,634,647	761,302	8,395,949	7,251,761
EXPENSES				
Operation department	1,134,744	-	1,134,744	1,236,852
Homeowners association direct	1,193,221	-	1,193,221	964,714
Real property taxes	1,432,731	-	1,432,731	1,394,635
Condominium fees	2,886,312	-	2,886,312	2,964,071
Total expenses	6,647,008	-	6,647,008	6,560,272
Excess of revenues over expenses	987,639	761,302	1,748,941	691,489
FUND BALANCES - January 1, 2012 and 2011	1,293,369	1,985,084	3,278,453	2,586,964
FUND BALANCES - December 31, 2012 and 2011	$ 2,281,008	$ 2,746,386	$ 5,027,394	$ 3,278,453

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
(With comparative totals for the year ended December 31, 2011)

	FUNDS			
	Operating	Replacement	2012 Total	2011 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess of revenues over expenses	$ 987,639	$ 761,302	$ 1,748,941	$ 691,489
Provision for uncollectible accounts	426,621	-	426,621	205,985
Changes in:				
Accounts receivable - members	(652,939)	-	(652,939)	(248,610)
Interest receivable	-	1,144	1,144	40
Due from Manager	35,337	-	35,337	(22,038)
Due from Condominium	(163,173)	-	(163,173)	-
Prepaid expenses	(36,339)	-	(36,339)	84,497
Accounts payable	(5)	-	(5)	5
Accrued expenses	(81,635)	-	(81,635)	(17,277)
Due to Condominium	(28,830)	-	(28,830)	28,830
Assessments received in advance	2,178,043	-	2,178,043	179,509
Deferred refurbishment assessments	3,436,384	-	3,436,384	-
Net cash provided by operating activities	6,101,103	762,446	6,863,549	902,430
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of certificates of deposit	-	(1,200,000)	(1,200,000)	-
Redemption of certificates of deposit	-	1,210,000	1,210,000	-
Net cash provided by investing activities	-	10,000	10,000	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Interfund reimbursement	1,300,003	(1,300,003)	-	-
Net increase (decrease) in cash	7,401,106	(527,557)	6,873,549	902,430
CASH AND CASH EQUIVALENTS- January 1, 2012 and 2011	931,175	593,791	1,524,966	622,536
CASH AND CASH EQUIVALENTS- December 31, 2012 and 2011	$ 8,332,281	$ 66,234	$ 8,398,515	$ 1,524,966
SUPPLEMENTAL INFORMATION				
Income taxes paid	$ 25	$ -	$ 25	$ 25

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 - THE ASSOCIATION

Fifth and Fifty-Fifth Residence Club Association, Inc. (the "Association"), was formed on June 26, 2006 to promote and advance the health and welfare of the fractional interest owners of Fifth and Fifty-Fifth Residence Club (the "Club"). As of December 31, 2012 and 2011, the Club consisted of 372 fractional interests located on the 8th, 9th, 10th and 11th floors of a mixed-use project which includes lodging and commercial enterprise within the control of the commercial unit owners. The owners of all fractional interests in the Club are the only members.

SLT Palm Desert, LLC, a Delaware limited liability company (as to 10.7567% tenant-in-common interest); SLT Realty Limited Partnership, a Delaware limited partnership (as to a 63.5756% tenant-in-common interest); Prudential HEI Joint Venture, a Georgia general partnership (as to an 11.3826% tenant-in-common interest); and SLT St. Louis, LLC, a Delaware limited liability company (as to a 14.2851% tenant-in-common interest) are the developers of the Project (the "Developer"). Until all fractional interests have been sold, the Developer has the right to use and transact on the property, any business necessary to consummate sale, resale or rental of all the fractional interests owned by the Developer.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 21, 2013, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association prepares its financial statements on the accrual basis and presents them as separate funds based on its different funding policies for operations and major repairs and replacements.

The operating fund reflects the operating portion of the annual assessments billed to the fractional interest owners to meet the various day-to-day expenditures incurred in the administration and operation of the Club. The Board of Managers (the "Board") designated a portion of the operating fund balance to provide for the upcoming real estate tax payment.

The replacement fund is composed of the portion of the annual assessments designated in the budget to fund future major repairs and replacements, as further described in Note 9.

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable are generally considered delinquent when they are 11 days past due. The Association accounts for potential losses in accounts receivable utilizing the allowance method. The Association maintains an allowance for uncollectible accounts at an amount that it believes is sufficient to provide adequate protection against future losses. Provisions for losses are determined principally on the basis of experiences in the preceding years, taking into account historical losses, industry standards and current economic conditions. All accounts or portions thereof deemed to be uncollectible are written off to the allowance for uncollectible accounts. Provision for uncollectible accounts for the years ended December 31, 2012 and 2011, was $426,778 and $205,985, respectively, and is included in homeowners association direct expenses.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Common Property

The Association is responsible to preserve and maintain the common property of the Club. Ownership of the commonly owned assets is vested directly or indirectly in the fractional interest owners, those assets are not titled in the Association's name and disposition of those assets by the Board is restricted. As a result, commonly owned assets are not presented in the Association's financial statements. Common property not capitalized consists of unit furnishings.

Income Taxes

Management has analyzed its various federal, state and city filing positions and believes that the Association's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The years 2009 through 2012 remain open to examination under federal and state statutes and applicable city statute limitations.

The Association files its income tax return as a homeowners' association in accordance with Internal Revenue Code Section 528. Under that Section, the Association is not taxed on uniform assessments to members and other income received from Association members solely as a function of their membership in the Association. The Association is taxed at a rate of 32% on its investment income and other non-exempt function income, less allocable expenses. There are no temporary differences between the financial reporting and tax reporting with respect to the nonexempt function income; therefore, no deferred tax provision has been recorded. The Association incurred an income tax liability of $25 for the years ended December 31, 2012 and 2011.

Fair Value of Financial Instruments

Substantially all of the Association's assets and liabilities, excluding prepaid expenses, assessments received in advance and deferred refurbishment assessments, are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instrument.

Revenue Recognition

Maintenance fees revenue is recognized monthly in the amount of the membership assessment allocation specified for the current period operations, based on the annual budget adopted by the Board. Each fractional interest owner is an Association member, and a proportionate share of the maintenance fees is assessed for each fractional interest.

Late fees and interest revenue is recognized when collected.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Flows

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, excluding certificates of deposit.

The Association made cash payments for income taxes of $25, during the years ended December 31, 2012 and 2011. The Association made no cash payments for interest during the years ended December 31, 2012 or 2011.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Association maintains cash balances and certificates of deposit at several financial institutions. Accounts and certificates of deposit at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC"). These balances were fully insured as of December 31, 2012 and 2011, based on the bank statement balances, less the FDIC insurance. Cash balances at an investment services company and cash equivalents totaling $7,257,638 and $1,233,745, as of December 31, 2012 and 2011, respectively, are not insured by the FDIC.

As of December 31, 2012 and 2011, the Developer owned 84 and 81 fractional interests, respectively.

NOTE 5 - ACCOUNTS RECEIVABLE - MEMBERS

Accounts receivable - members consisted of the following as of December 31,:

	2012	2011
Maintenance fee assessments	$ 709,566	$ 469,490
Refurbishment fee assessments	412,863	-
Less: allowance for uncollectible accounts	(848,486)	(421,865)
	$ 273,943	$ 47,625

NOTE 6 - RELATED PARTY TRANSACTIONS

During the years ended December 31, 2012 and 2011, the Developer paid maintenance fees as any fractional interest owner. The amount of maintenance fees assessed to the Developer during the years ended December 31, 2012 and 2011, were $1,680,227 and $1,619,804, respectively.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 6 - RELATED PARTY TRANSACTIONS (Continued)

St. Regis New York Management, Inc. (the "Manager"), an affiliate of the Developer, provides on-site management and maintenance services, and off-site administrative and accounting services. The management agreement provides that the Manager may subcontract its rights, duties and obligations. A Board member is also an officer of the management company and its affiliates. Substantially all operating expenses have been allocated to the Association from the Manager. As of December 31, 2012 and 2011, due from Manager consisted of reimbursements due to the Association.

The Association entered into a banking agreement ending April 24, 2015 with the Manager and SVO Management, Inc. ("SVOM"), who has guaranteed or indemnified the Association's liability for overdrafts with banks or other entities providing financial services to the Association. The agreement give SVOM the right to reimburse itself for the amount of any overdrafts, if any, incurred on the Association's behalf. The agreement automatically renews for successive three-year periods unless terminated according to the terms of the agreement.

The Association is part of the high-rise estate project consisting of mixed-use components known as the Fifth and Fifty-Fifth Condominium (the "Condominium"). The Condominium allocates and assesses charges to the Association for the repair, maintenance, replacement, restoration, care, upkeep and operation of, and any alteration, addition or improvement to, the Common Elements, the provision of services to the mixed-use components and the business affairs of the Condominium. For the years ended December 31, 2012 and 2011, the Condominium fees were $2,886,312 and $2,964,071, respectively. The charges are considered to be a common expense of the Association. As of December 31, 2012 and 2011, $0 and $28,830, respectively, was due to the Condominium. For the year ended December 31, 2012, the Condominium refunded the Association $163,173 for excess Condominium fees charged in prior years. As of December 31, 2012, this amount is reflected as due from Condominium.

NOTE 7 - ASSESSMENTS RECEIVED IN ADVANCE

Assessments received in advance in the amounts of $2,433,637 and $255,594, consisted of 2013 and 2012 maintenance and refurbishment fees received by the Association prior to January 1, 2013 and 2012, respectively.

NOTE 8 - DEFERRED REFURBISHMENT FEES

During the year ended December 31, 2012, the Association billed owners for refurbishment fees. The refurbishment fees are recognized as the related expenses are incurred. Unexpended amounts are recorded as deferred revenue on the balance sheet until they are either expended for the purpose of the original assessment, returned to owners or used for another purpose determined and approved by the Board. During the year ended December 31, 2012 there were no expenditures related to the refurbishment project.

NOTE 9 - REPLACEMENT FUND

New York statutes require reasonable sums to be periodically set aside for the funding of reserves. Reserves are funded per the Board approved budget. If additional funds are needed, the Association has the right, subject to the Board's approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 9 - REPLACEMENT FUND (Continued)

The Association's replacement fund is utilized to accumulate funds for future major repairs and replacements, based on the budgeted portion of the maintenance fee assessment charged to each fractional interest owner, and specifically designated for the fund in the annual budget. Deductions from the fund are recorded as costs, as incurred, which are determined by the Board to meet the objective for which the fund was established.

For the years ended December 31, 2012 and 2011, additions to the fund include $20,878 and $23,879 of interest and dividends, respectively.

During 2012 and 2011, the Association funded for major repairs and replacements over the estimated useful lives of the components, based on estimates of current replacement costs.

The 2013 proposed budgeted funding is $740,421, as shown in the unaudited supplementary information. The components' actual replacement costs, useful lives, and investment income may vary from the estimated amounts and the variation may be material.

NOTE 10 - COMMITMENTS

The Association currently has a three-year management agreement ending in August 28, 2014, with the Manager. The agreement automatically renews for successive three-year periods unless, at least 90 days prior to the expiration of the then-current term, either party gives written notice to the other of its election not to extend the term.

NOTE 11 - ECONOMIC DEPENDENCY

The Association derived approximately 20% and 22% of its revenue from the Developer for the years ended December 31, 2012 and 2011, respectively.

SUPPLEMENTARY INFORMATION

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS
DECEMBER 31, 2012
(Unaudited)

The following table represents a study by management, which is based on estimates provided by the Manager during 2012, based on consultation with various experts regarding the estimated remaining lives of the components and their current replacement costs. The following table is based on the study and presents significant information about the components of the common property. Amounts are based on normal operations and without the effect of potential catastrophic occurrences.

Components	Estimated Useful Lives	Estimated Remaining Useful Lives	Estimated Current Replacement Costs	2013 Proposed Budgeted Funding
Unit furnishings, equipment, and other capital expenditures	1-24 years	0-21 years	$ 5,072,335	$ 740,421

Estimated current replacement costs are based on the assumption of a variable interest rate earned on investments that exceeds an assumed rate of inflation of 2.5%.

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EXHIBIT "C"

2012 CONDOMINIUM FINANCIAL STATEMENTS

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NEW YORK, NEW YORK
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

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Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of
Fifth and Fifty-Fifth Condominium

We have audited the accompanying financial statements of Fifth and Fifty-Fifth Condominium, which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of revenues, expenses and changes in fund (deficit) balance and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fifth and Fifty-Fifth Condominium as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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To the Board of Managers of
Fifth and Fifty-Fifth Condominium

Other Matter

The supplementary information on future major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements is not presented because a replacement fund has not been established, as further described in Note 6. The supplementary information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the supplementary information on future major repairs and replacements that has not been presented.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating fund revenues and expenses - budget to actual is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Myers, Brettholtz & Company, PA

MYERS, BRETTHOLTZ & COMPANY, PA
Fort Myers, Florida
February 19, 2013

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FIFTH AND FIFTY-FIFTH CONDOMINIUM
BALANCE SHEETS
DECEMBER 31,

	2012	2011
ASSETS		
Cash and cash equivalents	$ 3,205,190	$ 1,124,468
Accounts receivable - members (net of allowance for uncollectible accounts of $158,345 in 2012 and $113,729 in 2011)	21,780	-
Due from affiliate	-	28,830
Prepaid expenses	6,263	6,260
Total assets	$ 3,233,233	$ 1,159,558
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued expenses	$ 47,654	$ 59,832
Income taxes payable	25	25
Due to Manager	736,028	23,926
Due to affiliate	163,173	-
Assessments received in advance	-	2,119
Total liabilities	946,880	85,902
FUND BALANCE	2,286,353	1,073,656
Total liabilities and fund balance	$ 3,233,233	$ 1,159,558

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND (DEFICIT) BALANCE
FOR THE YEARS ENDED DECEMBER 31,

	2012	2011 *(Reclassified)*
REVENUES		
Common charges	$ 21,303,369	$ 21,333,108
Interest and dividends	2,210	292
Late fees and interest	-	126
Total revenues	21,305,579	21,333,526
EXPENSES		
Operations	9,494,626	9,398,108
Administrative and general	2,132,161	2,275,960
Repairs and maintenance	3,406,780	3,464,128
Energy department	2,724,391	2,900,974
Guest laundry department	534,762	520,763
Board and membership meetings	3,206	2,254
Provision for uncollectible accounts	44,616	43,497
Legal and audit	14,712	26,761
Income taxes	25	25
Insurance	527,657	495,867
Management fees	117,612	115,634
Total expenses	19,000,548	19,243,971
Excess of revenues over expenses	2,305,031	2,089,555
FUND (DEFICIT) BALANCE - January 1,	1,073,656	(1,015,899)
SURPLUS DISTRIBUTION	(1,092,334)	-
FUND BALANCE - December 31,	$ 2,286,353	$ 1,073,656

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 2,305,031	$ 2,089,555
Provision for uncollectible accounts	44,616	43,497
Surplus distribution	(1,092,334)	-
Changes in:		
Accounts receivable - members	(66,396)	(43,497)
Due from affiliate	28,830	(28,830)
Prepaid expenses	(3)	(2,845)
Accounts payable and accrued expenses	(12,178)	22,694
Income taxes payable	-	25
Due to Manager	712,102	(1,017,834)
Due to affiliate	163,173	-
Assessments received in advance	(2,119)	(26,215)
Net cash provided by operating activities	2,080,722	1,036,550
Net increase in cash	2,080,722	1,036,550
CASH AND CASH EQUIVALENTS - January 1,	1,124,468	87,918
CASH AND CASH EQUIVALENTS - December 31,	$ 3,205,190	$ 1,124,468

SUPPLEMENTAL INFORMATION		
Income taxes paid	$ 25	$ -

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 - THE CONDOMINIUM

Fifth and Fifty-Fifth Condominium (the "Condominium"), was formed on June 13, 2006, to be responsible for the management of a high-rise estate project (the "Project") consisting of distinct mixed-use components located in New York, New York. The owners of all units in the Condominium are the only members.

For the years ended December 31, 2012 and 2011, the Project consisted of: (1) 15 suite units, located on the 10th and 11th floors of the building, (2) 31 club units, located on the 8th, 9th, 10th and 11th floors of the building, and (2) two commercial units, one of which (the "Hotel unit") is located on portions of each floor (other than the 8th, 9th, 10th, and 11th floors) of the building and the "Retail unit" which is located on portions of the 1st and mezzanine floors of the building.

SLT Palm Desert, LLC, a Delaware limited liability company (as to 10.7567% tenant-in-common interest); SLT Realty Limited Partnership, a Delaware limited partnership (as to a 63.5756% tenant-in-common interest); Prudential HEI Joint Venture, a Georgia general partnership (as to an 11.3826% tenant-in-common interest); and SLT St. Louis, LLC, a Delaware limited liability company (as to a 14.2851% tenant-in-common interest) are the developers of the Project (the "Developer"). Until all units have been sold, the Developer has the right to use and transact on the property, any business necessary to consummate sale, resale or rental of all the units owned by the Developer.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Condominium has evaluated events and transactions for potential recognition or disclosure through February 19, 2013, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Accounting

The Condominium prepares its financial statements on the accrual basis of accounting, in accordance with generally accepted accounting principles. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable are generally considered delinquent when they are 11 days past due. The Condominium accounts for potential losses in accounts receivable utilizing the allowance method. The Condominium maintains an allowance for uncollectible accounts at an amount that it believes is sufficient to provide adequate protection against future losses. Provisions for losses are determined principally on the basis of experiences in the preceding years, taking into account historical losses, industry standards and current economic conditions. All accounts or portions thereof deemed to be uncollectible are written off to the allowance for uncollectible accounts. Provision for uncollectible accounts expense for the years ended December 31, 2012 and 2011 was $44,616 and $43,497, respectively.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Common Property

The Condominium is responsible to preserve and maintain the common property of the Project. Ownership of the commonly owned assets is vested directly or indirectly in the unit owners, those assets are not titled in the Condominium's name and disposition of those assets by the Board of Managers (the "Board") is restricted. As a result, commonly owned assets are not presented in the Condominium's financial statements.

The Common Elements of the Condominium (the "Common Elements") consist of the entire Property including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are classified as General Common Elements and Hotel Limited Common Elements. The Common Elements do not include any of the Development Rights, all of which are assigned and reserved to and shall inure to the benefit of the Hotel Unit and the Hotel Unit Owner in all respects as set forth in Section 1.3 of the Second Amended and Restated Declaration of Condominium. The Common Elements will remain undivided and no Unit Owner or other Person will bring or will have the right to bring any action for partition or division thereof except as may be specifically provided for herein and in the Condominium By-Laws.

The General Common Elements consist generally of the Land and all parts of the Building and the other improvements thereon other than the Units and the Hotel Limited Common Elements, and include generally, without limitation, those rooms, areas, corridors, spaces and other parts of the Building and all facilities located or contained therein for the common use of the Units and the Unit Owners (in each case, except as may otherwise be provided herein or on the Floor Plans) or which are necessary or convenient for the existence, maintenance, operation or safety of the Property (in each case, except as may otherwise be provided herein or on the Floor Plans), together with any other portions and/or facilities of the Property that are designated on the Floor Plans as General Common Elements.

The Hotel Limited Common Elements consist generally of those portions of the Common Elements which exclusively serve or exclusively benefit the Hotel Unit whether or not designated as Hotel Limited Common Elements (or designated at all) on the Floor Plans (but excluding any items therein or in the Building which are not part of the Property, including, without limitation, any equipment, wiring and devices owned by telecom providers or any area or item designated herein or in the Floor Plans as part of the General Common Elements or any Unit), together with any other portions and/or facilities of the Property identified herein or designated on the Floor Plans as Hotel Limited Common Elements.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Common Property (Continued)

The Hotel Unit Owner shall, at least annually, prepare a budget in connection with the operation, care, upkeep and maintenance of, and the making of Alterations to, and Repairs of and insuring, the Hotel Limited Common Elements, and/or, to the extent the same are also accessible to or used by the Suite Unit Occupants and Club Unit Occupants at no per-use charge, the Hotel Unit, as well as other expenses of the Hotel Unit Owner in providing services (for which there is no per-use charge) on a Building-wide basis or throughout or for the benefit of the guest-room portions of the Hotel Unit as well as the Suite Units and Club Units (and the Occupants thereof) in connection with the operation of a hotel in the Building and/or in order to maintain the Hotel Flag Standards (such costs and expenses being referred to in the Condominium Documents as "Allocable Hotel Expenses"); and shall periodically invoice the Condominium Board for such expenses incurred or to be incurred with respect thereto. Each Unit Owner shall pay to the Condominium Board its allocated share of the Allocable Hotel Expenses which allocation shall be made by the Condominium Board in accordance with the Cost Allocation Schedule. Such amounts payable to the Condominium Board shall be deemed to be included in General Common Charges, shall be collected by the Condominium Board and the Condominium Board shall have, and shall diligently and promptly as agent for the owner of the Hotel Unit or its designee exercise, any and all rights and remedies for the collection of such charges as are provided herein for the collection of General Common Charges. In addition, the owner of the Hotel Unit shall have the right of offset against the Condominium Board in respect of any amounts payable to it in respect of the costs and expenses, of such shared areas and services which are not collected by the Condominium Board and paid the owner of the Hotel Unit or its designee. Any dispute regarding the Allocable Hotel Expense shall be resolved by Arbitration as set forth in Article 11 of these Second Amended and Restated Condominium By-Laws; provided, however, that allocations of Allocable Hotel Expenses which are based on "key" count, proportionate Common Interest and/or metering/sub metering shall not be subject to challenge in Arbitration.

The declaration grants various easements to the hotel unit owner for such items as alteration and reconfiguring of the lobby, entrance, and other public areas of the building; the right to erect, use, lease, license, maintain, repair, replace and operate a platform and other facilities for the purpose of operating antennae, satellite dishes and other communication equipment; and the right to apply for and/or grant with respect to the façade of the property a further historic preservation easement or similar right. In addition, the hotel unit owner grants to the members of the Condominium that for as long as any portion of the space specified as health club on the floor plans and all improvements thereto is made available to hotel guests as a fitness facility, the members of the Condominium shall have a right to access and use the health club for the same purposes and on the same basis which hotel guest are permitted to access and use the health club; and agrees to provide on the same basis that such services are provided and made available to hotel guests: hotel concierge service, lobby bellmen and doormen; room service, and housekeeping service at a daily charge.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Management has analyzed its various federal and state filing positions and believes that the Condominium's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The years 2009 through 2012 remain open to examination under federal and state statute limitations.

The Condominium has elected to be taxed as a homeowners' association in accordance with Internal Revenue Code Section 528. Under that Section, the Condominium is not taxed on uniform assessments to members and other income received from Condominium members solely as a function of their membership in the Condominium. The Condominium is taxed at a rate of 30% on its investment income and other non-exempt function income, less allocable expenses. There are no temporary differences between the financial reporting and tax reporting with respect to the non-exempt function income; therefore, no deferred tax provision has been recorded. The Condominium incurred an income tax liability of $25 for the years ended December 31, 2012 and 2011.

Fair Value of Financial Instruments

Substantially all of the Condominium's assets and liabilities, excluding prepaid expenses and assessments received in advance, are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instrument.

Revenue Recognition

Common charges revenue is recorded monthly in the amount of the membership assessment allocation specified for current period operations, and is based on the annual budget adopted by the Board. Each unit owner is a Project member, and a proportionate undivided interest in fee simple absolute (expressed as a percentage) in the common elements is assessed for each unit.

Late fees and interest revenue is recognized when collected.

Cash Flows

For purposes of the statement of cash flows, the Condominium considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Condominium made cash payments for income tax of $25 and $0, during the years ended December 31, 2012 and 2011, respectively. The Condominium made no cash payments for interest during the years ended December 31, 2012 or 2011.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain balances on the statement of revenues, expenses and changes in fund (deficit) balance have been reclassified to conform with the current year presentation.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Condominium maintains cash balances at one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation ("FDIC"). As of December 31, 2012 and 2011, the cash balances were fully insured based on the bank statement balances, less the FDIC insurance. Cash balances at an investment services company and cash equivalents totaling $3,159,207 and $1,100,148, as of December 31, 2012 and 2011, respectively, are not insured by the FDIC.

As of December 31, 2012 and 2011 the Developer owned the hotel unit and eight suite units.

NOTE 5 - RELATED PARTY TRANSACTIONS

St. Regis New York Operating LLC (the "Manager"), an affiliate of the Developer, provides on-site management and maintenance services, and off-site administrative and accounting services. As of December 31, 2012 and 2011, due to Manager consisted of operating expenses of the Condominium paid by the Manager. Board members are also officers of the Manager and its affiliates. Substantially all operating expenses have been allocated to the Condominium from the Manager.

The Condominium has entered into a banking agreement ending April 25, 2015 with the Manager, SVO Residential Management, Inc. and SVO Management, Inc. ("SVOM"), who has guaranteed or indemnified the Condominium's liability for overdrafts with banks or other entities providing financial services to the Condominium. The agreement gives SVOM the right to reimburse itself for the amount of any overdrafts, if any, incurred on the Condominium's behalf. The agreement automatically renews for successive three-year periods unless terminated according to the terms of the agreement.

For the year ended December 31, 2012, the Developer paid common charges on the suite units of $688,968, and on the hotel unit of $17,172,672. For the year ended December 31, 2011, the Developer paid common charges on the suite units of $671,751, and on the hotel unit of $17,172,396. As of December 31, 2012 and 2011, the amounts due for common charges had been paid in full.

As of December 31, 2012, due to affiliate consisted of $163,173 due to Fifth and Fifty-Fifth Residence Club Association, Inc. (the "Club") related to the surplus distribution. As of December 31, 2011, due from affiliate consisted of $28,830, due from Club related to the Club units portion of the common charges.

Read Independent Auditor's Report.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 6 - REPLACEMENT FUND

A replacement fund has not been established; therefore, no reserve assessments have been levied. If funds are needed, the Condominium has the right, subject to the Board's approval, to charge regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

NOTE 7 - COMMITMENTS

The Condominium currently has a management agreement ending May 31, 2013, with the Manager. The agreement automatically renews for successive three-year periods unless, at least 90 days prior to the expiration of the then-current term, either party gives written notice to the other of its election not to extend the term. The management agreement provides that the Manager may subcontract its rights, duties and obligations under the management agreement.

NOTE 8 - ECONOMIC DEPENDENCY

The Condominium derived approximately 84% of its revenue from the Developer during the years ended December 31, 2012 and 2011.

SUPPLEMENTARY INFORMATION

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FIFTH AND FIFTY-FIFTH CONDOMINIUM
SCHEDULE OF REVENUES AND EXPENSES - BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget *(Unaudited)*	Actual	Variance Favorable (Unfavorable)
REVENUES			
Common charges	$ 21,303,375	$ 21,303,369	$ (6)
Interest and dividends	130	2,210	2,080
Late fees and interest	199	-	(199)
Total revenues	21,303,704	21,305,579	1,875
EXPENSES			
OPERATIONS			
Managers	1,478,049	1,332,484	145,565
Bellman	640,819	616,961	23,858
Concierge	446,443	439,961	6,482
Doorman	331,681	324,242	7,439
Page	415,614	369,586	46,028
Housekeeping supervisor	255,218	168,574	86,644
Houseperson	1,219,906	1,253,682	(33,776)
Public area attendant	235,287	264,526	(29,239)
Front office	617,276	618,523	(1,247)
Trainee	57,139	41,923	15,216
Butler	3,391,302	3,400,560	(9,258)
Contract services	160,515	152,459	8,056
Decorations	152,948	122,398	30,550
Uniforms	110,768	54,384	56,384
Cleaning supplies	25,193	24,795	398
Operating supplies	153,354	142,595	10,759
Cable television	131,376	142,645	(11,269)
China	5,000	1,124	3,876
Telecommunications	30,912	23,204	7,708
Total operations	9,858,800	9,494,626	364,174
ADMINISTRATIVE AND GENERAL			
Management	1,015,109	899,338	115,771
Accounting office	109,544	102,753	6,791
Human resources	167,693	130,035	37,658
Administration	85,086	83,636	1,450
Management information system	55,036	52,232	2,804
Security salaries and wages	621,474	581,991	39,483
Bonus wages	36,284	28,899	7,385
Operating supplies	18,032	18,916	(884)
Payroll service	68,615	69,848	(1,233)
Personnel relocation	7,385	51,704	(44,319)
Personnel recognition	37,231	44,577	(7,346)
Personnel training	42,502	2,572	39,930
Telecommunications	17,615	23,256	(5,641)

Read Independent Auditor's Report.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
SCHEDULE OF REVENUES AND EXPENSES - BUDGET TO ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget *(Unaudited)*	Actual	Variance Favorable (Unfavorable)
ADMINISTRATIVE AND GENERAL (Continued)			
Uniforms	16,229	14,757	1,472
Postage	3,935	3,296	639
Print and stationery	16,623	7,731	8,892
Professional fees and dues	1,970	636	1,334
Security	-	6,720	(6,720)
Bank fees	1,062	1,701	(639)
Six sigma distribution	-	7,563	(7,563)
Total administrative and general	2,321,425	2,132,161	189,264
REPAIRS AND MAINTENANCE			
Salaries and wages	2,325,309	2,204,640	120,669
Alarm maintenance	9,788	6,302	3,486
Building	183,042	135,139	47,903
Computer system maintenance	242,334	206,967	35,367
Contract services purchasing	13,128	12,762	366
Curtain and drapes	3,253	-	3,253
Electrical and mechanical equipment	11,509	14,313	(2,804)
Electric bulbs	17,534	13,367	4,167
Elevators	361,588	367,342	(5,754)
Engineering supplies	150,000	24,450	125,550
Floor coverings	5,785	4,856	929
Furniture and equipment	-	488	(488)
Grounds / landscaping	70,018	38,714	31,304
HVAC	58,474	85,105	(26,631)
Keys and locks	7,531	11,428	(3,897)
Laundry equipment	7,794	11,261	(3,467)
Maintenance contract	134,654	108,345	26,309
Miscellaneous	289	277	12
Operating supplies	1,429	3,434	(2,005)
Painting and decorating	3,573	11,403	(7,830)
Pest control	57,170	44,552	12,618
Plumbing	35,714	43,048	(7,334)
Signs	-	115	(115)
Telecommunications	1,429	5,843	(4,414)
Television and radio	3,500	1,293	2,207
Uniforms	7,146	1,661	5,485
Waste removal	58,597	49,675	8,922
Total repairs and maintenance	3,770,588	3,406,780	363,808

Read Independent Auditor's Report.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
SCHEDULE OF REVENUES AND EXPENSES - BUDGET TO ACTUAL (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budget *(Unaudited)*	Actual	Variance Favorable (Unfavorable)
ENERGY DEPARTMENT			
Electric current	1,967,774	1,523,052	444,722
Steam	914,837	765,593	149,244
Sewer	269,215	273,686	(4,471)
Water	169,628	162,060	7,568
Total energy department	3,321,454	2,724,391	597,063
GUEST LAUNDRY DEPARTMENT			
Salaries and wages	537,298	524,638	12,660
Laundry supplies	1,018	-	1,018
Miscellaneous	222	-	222
Print and stationery	818	-	818
Uniforms	957	741	216
Miscellaneous	-	34	(34)
Operating supplies	11,881	9,349	2,532
Total guest laundry department	552,194	534,762	17,432
BOARD AND MEMBERSHIP MEETINGS	6,000	3,206	2,794
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	50,000	44,616	5,384
LEGAL AND AUDIT			
Audit	8,910	8,910	-
Legal	18,793	5,802	12,991
Total legal and audit	27,703	14,712	12,991
INCOME TAXES	300	25	275
INSURANCE	506,816	527,657	(20,841)
MANAGEMENT FEES	117,608	117,612	(4)
CONTINGENCY	770,816	-	770,816
Total expenses	21,303,704	19,000,548	2,303,156
Excess of revenues over expenses	$ -	$ 2,305,031	$ 2,305,031

Read Independent Auditor's Report.

EXHIBIT "D"

UPDATED ESCROW AGREEMENT

ESCROW AGREEMENT

ESCROW AGREEMENT ("Agreement") made as of the filing date of the Twentieth Amendment to the Offering Plan (defined below), between St. Regis Residence Club, New York Inc. ("*SPONSOR*") as sponsor of the Offering Plan and Leo Rose III, Esq. ("*ESCROW AGENT*") as escrow agent.

WHEREAS, a fractional offering plan for premises known as the Fifth and Fifty-Fifth Residence Club and located at Two East 55th Street, New York, New York ("*Offering Plan*") was filed by Sponsor; and

WHEREAS, Leo Rose III, Esq. is an attorney admitted to practice in the State of Georgia and is authorized to act as an escrow agent hereunder in accordance with General Business Law ("*GBL*") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers, pursuant to the terms of this Agreement and the Offering Plan.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 ESCROW AGENT has established an escrow account for the purpose of holding deposits, down payments, advances, payments or loan installments ("*Deposits*") made by purchasers ("*Purchasers*") pursuant to the Offering Plan at Wells Fargo Bank at its branch located at 540 Madison Avenue, New York, NY 10022, and in account number 2000028340106 entitled "Leo Rose III, Esq., Escrow IOLA Account – St. Regis NY" ("*Escrow Account*").

1.2 All Deposits will be placed in the Escrow Account.

1.3 ESCROW AGENT is the signatory for the Escrow Account: Leo Rose, III, Esq., ("Authorized Signatory"). ESCROW AGENT and the Authorized Signatory have an address of Schreeder, Wheeler & Flint, LLP, 1100 Peachtree Street, N.E., Suite 800, Atlanta, GA 30309-4516 and whose telephone number is (404) 954-9823.

1.4 Neither the ESCROW AGENT nor the Authorized Signatory on the Escrow Account is the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Offering Plan), or any principal thereof, or have any beneficial interest in any of the foregoing.

1.5 ESCROW AGENT and Authorized Signatory designated herein hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.6 The Escrow Account is an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from Purchasers prior to Closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited or credited into the Escrow Account. All instruments to be deposited into the Escrow Account shall be made payable directly to the order of "Leo Rose, III, Esq., Escrow IOLA Account". Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited to the Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of Deposits, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after the tender of the Deposit submitted with the purchase agreement ("Purchase Agreement"), ESCROW AGENT shall notify the Purchaser of the placement of the Deposit into the Escrow Account, provide the account number. If the Purchaser does not receive such notification within fifteen (15) business days after the tender of the Deposit, the Purchaser may cancel the Purchase Agreement and rescind within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271 ("Department of Law"). Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1 Under no circumstances shall Sponsor seek the release of the Deposit of a defaulting Purchaser until after the consummation of the Offering Plan, as defined in the Department of Law regulations. Consummation of the Offering Plan shall not relieve SPONSOR of its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and GBL Section 352-h.

3.2 ESCROW AGENT shall release the Deposit if so directed:

3.2.1 pursuant to terms and conditions set forth in the Offering Plan, upon closing of title to the Club Interest (as such term is defined in the Offering Plan); or

3.2.2 in a subsequent writing signed by both SPONSOR and the Purchaser; or

3.2.3 by a final, no-appealable order or judgment of a court.

3.3 If the Deposit is not released pursuant to paragraph 3.2 and ESCROW AGENT receives a request by SPONSOR or Purchaser to release the Deposit ESCROW AGENT shall give both parties prior written notice of not fewer than Thirty (30) days before releasing the Deposit. If ESCROW AGENT has not received notice of objection to the releasing of the Deposit at the expiration of the 30-day period, the Deposit shall be released and ESCROW AGENT shall provide further written notice to both parties informing them of the release of the Deposit. If ESCROW AGENT receives a written notice from either party objecting to the release of the Deposit within the 30-day period set forth in the notice, ESCROW AGENT shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2. However, ESCROW AGENT shall also have the right at any time to deposit the Deposit with the clerk of a court in the county in which the Property is located and shall give notice to both parties of such deposit.

3.4 SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to:

3.4.1 a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or

3.4.2 all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

3.5 In the event SPONSOR and a Purchaser close title under the Purchase Agreement, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven (7) years after release of the funds.

4.2 Upon the dissolution of ESCROW AGENT, the former partners of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary and statutory obligations under GBL §§ 352(e)(2-b) and 352(h).

5.3 ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or Law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Purchase Agreement, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.

5.4 ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.

5.5 ESCROW AGENT may rely upon any document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

5.6 ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

5.7 The provisions of paragraphs 5.5 and 5.6 shall apply only to SPONSOR and nothing contained therein shall be in derogation of the rights of a Purchaser under Article 23-A of the General Business Law.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to designated attorney who is Escrow Agent within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in such capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent. Purchaser shall be deemed to have consented to such cancellation; or

7.1.2 The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Escrow Account on the date of such resignation. Sponsor shall submit such amendment to the Department of Law within ninety (90) days following the date of resignation, failing which ESCROW AGENT shall be entitled to place the Deposits with a court of competent jurisdiction. Such amendment shall disclose the identity of the successor escrow agent, the bank in the State of New York where the Deposits are being held, and the account number in which the Deposits will be held, and shall be served on all Purchasers by SPONSOR; or

7.1.3 all Club Interests offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Escrow Account.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any and all Purchase Agreements or documents maintained by ESCROW AGENT relating to such funds to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the Laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and legal assistants and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for the maintenance of the Escrow Account. Prior to the release of the Deposits, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by Law.

12. INDEMNIFICATION

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including Purchasers, incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs, disbursements, either paid to retain attorneys or representing the value of all legal services rendered by ESCROW AGENT to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case

13. ALTERNATE SECURITY

In the event SPONSOR is authorized by the Department of Law to post a Letter of Credit or Surety Bond as alternate security to secure all or a portion of the Deposits, ESCROW AGENT agrees to be the beneficiary of the Letter of Credit or Surety Bond and to act as fiduciary with respect to such Letter of Credit or Surety Bond for the benefit of Purchasers under the Offering Plan whose Deposits were released from escrow in accordance with the 'Escrow and Trust Fund" section of the Offering Plan or an amendment to the Offering Plan.

14. ENTIRE AGREEMENT.

This Agreement, read together with GBL Section 352-e(2-b) and 352(h) and the Department of Law regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

By: ______________________
Leo Rose III, Esq.

SPONSOR:

ST. REGIS RESIDENCE CLUB, NEW YORK INC.

By: ______________________
Name: Robin L. Suarez
Title: Vice-President

EXHIBIT "E"

CERTIFICATION OF SPONSOR AND PRINCIPALS

PART 24: CERTIFICATION OF SPONSOR AND PRINCIPALS

New York State Department of Law
Real Estate Finance Bureau
23rd Floor - 120 Broadway
New York, New York 10271

Re: Fractional Offering Plan
Fifth and Fifty-Fifth Residence Club
Two East 55^{th} Street
New York, New York 10022 ("Property")

We are the sponsor and the principals of sponsor of the fractional offering plan for the fractional captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 24 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

ST. REGIS RESIDENCE CLUB, NEW YORK INC.

By: ______________________
Name: Robin L. Suarez
Title: Vice-President

PRINCIPALS OF SPONSOR:

____
Stephen Williams

____
Robin L. Suarez

Severally sworn to before me
this 9th day of September 2013

Rosemarie Wallace
____
Notary Public

ROSEMARIE WALLACE
Notary Public, State of Florida
My comm. expires June 24, 2017
No. FF 16131
Bonded thru Ashton Agency, Inc. (800)451-4854